

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 1997

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Jan 29 4 18 PM '98
Docket No. R97-1
OFFICE OF THE CLERK
U.S. POSTAL SERVICE

UNITED STATES POSTAL SERVICE FOLLOW-UP
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE DIRECT MARKETING ASSOCIATION, INC. WITNESS BUC
(USPS/DMA-T1-19-21)

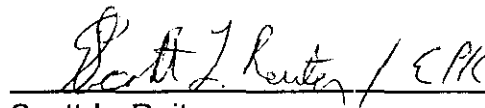
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Direct Marketing Association, Inc. witness Buc: USPS/DMA-T1-19-21.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

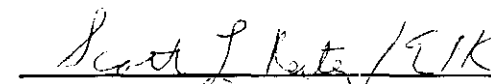
Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Scott L. Reiter

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
January 29, 1998


Scott L. Reiter

USPS/DMA-T1-19. Please refer to your response to USPS/DMA-T-1-2b. You state that "not all programs which have increases in clerks, mailhandlers or city carriers will necessarily have increases in supervisors" and that "because managers apparently never considered adjustments in supervisors' costs, it is only reasonable to decrease supervisors' costs proportional to the decrease in the related craft workers' costs".

- (a) Your use of the word "apparently" leads the reader to believe that you have speculated that Postal Service program managers did not consider adjustments in supervisor costs when they estimated the impact of cost reduction programs. Please confirm that you do not know for a fact that Postal Service program managers did not consider adjustments in supervisor costs when they estimated the impact of cost reduction programs but rather you have made an assumption to that effect. If you do not confirm please explain how you know this for a fact.
- (b) Please explain why you feel that cost reductions in "craft workers' costs" should result in proportional supervisor savings but other programs increases in "craft workers' costs" do not always result in proportional supervisor cost increases.

USPS/DMA-T1-20. Please refer to your response to USPS/DMA-T1-3b. You were asked to explain how you determined that program managers "simply did not realize that they were supposed to adjust supervisors' and technicians' costs downward as they did for the costs for mail processing clerks and mailhandlers and city carriers due to the cost reduction programs." You responded that your statement was based witness Patelunas' testimony that program managers who estimated savings from personnel-related cost reduction programs for Clerks and Mailhandlers and for City Carriers were not instructed to determine whether these savings would reduce the number of supervisor hours (Tr.13/7211).

- (a) Are you aware of any testimony indicating that program managers were instructed not to determine the impact of cost reduction programs

on supervisor costs? If your answer is other than an unqualified no, please provide such testimony and its source.

- (b) Please confirm that witness Patelunas testified in his response to DMA/USPS-T15-1b. that "the program managers who estimated the savings from personnel-related cost reduction programs made their estimates based on their expertise. The program managers have first hand knowledge of the particular programs and operations; thus, they are the best judges of estimating how the programs will impact operations. The program managers use their own understanding of the relationships between craft employees and supervisors when they determined these cost reduction estimates". If you do not confirm please explain why?
- (c) Please confirm that witness Patelunas testified in his response to DMA/USPS-T15-5ei. that "the program managers arrived at their estimates using their knowledge and experience in operations. It would not be realistic to conclude from your arithmetic that program managers did not analyze the effect on supervisor and technician workyears." If you do not confirm please explain why?
- (c) Assume that program managers were not instructed specifically what categories of employees to consider in making their estimates but rather were simply asked to estimate the impact of the program whatever it might be. Under such a scenario is it possible that program managers considered the impact of the program on supervisors and concluded that no savings should be included? If your answer is other than yes, please explain why this could not be possible.
- (d) In your response to USPS/DMA-T1-3b. you state "I think that program managers primarily consider direct craft labor costs because direct labor costs are ten times higher than supervisors' costs. I doubt that program managers spend much time contemplating the relationship between craft employees and supervisors. ... "I think program managers ignored this relationship when estimating cost savings. ...the fact that no program

manager estimated supervisor cost savings when the costs for the component supervised decreased suggests that witness Patelunas is incorrect." Does your use of words such as "I think," "I doubt," and "suggests," mean that these are simply your opinions and not facts that you can prove? If your answer is other than yes, explain why you have not been more emphatic.

USPS/DMA-T1-21. Please refer to your response to USPS/DMA-T1-4b. where you state "confirmed, if the process described in subpart (a) actually takes place." Do you know for a fact that the process described in subpart (a) did not take place? If your answer is other than no, please provide the factual basis for your assertion.